

ABSTRACT

[084] A commodity trust is provided by a Trustee for a particular commodity. Commodity shares are backed by the Trustee's custody of the actual commodity. For example, commodity shares are created and issued when a trust participant deposits an amount of the commodity with the Trustee or a custodian acting on behalf of the Trustee. After confirmation of the receipt of the commodity, an amount of commodity shares is issued by the Trustee, which is equal in value to the value of the commodity.